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Syracuse Clearing House
Association

Constitution, adopted
June 22nd, 1899

Syracuse, N.Y.

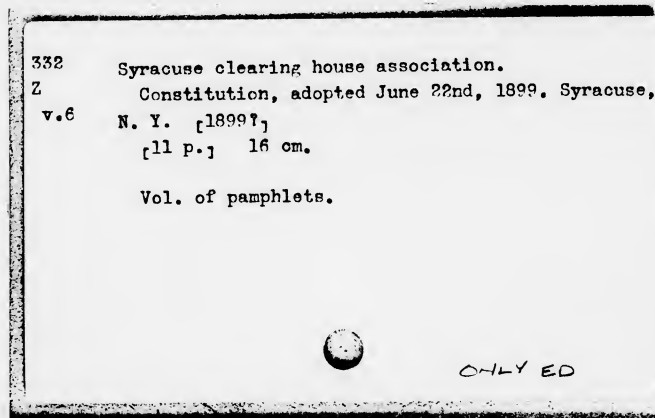
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CONSTITUTION

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Syracuse Clearing House
Association,

Adopted June, 22nd 1899.

SYRACUSE, N. Y.

CONSTITUTION.

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SECTION 1. The name of this Association shall be the "SYRACUSE CLEARING HOUSE ASSOCIATION."

SEC. 2. The object of the Association shall be the effecting at one place, to be designated by a majority of the members of the Association, of the daily exchanges between the several associated Banks and Bankers, the payment at the same place of the balances resulting from such exchanges, and the furtherance of such other mutual interests as shall from time to time be agreed upon. But the Association shall in no wise be responsible in regard to such exchanges, nor in regard to the balances resulting therefrom, except as such balances shall be actually paid into the hands of the Manager.

SEC. 3. The responsibility of the Association is strictly limited to the faithful distribution by the Manager among the creditor members for the time being, of the sums actually received by him, and should any loss occur while the said balances are in the custody of the Manager, they shall be borne and paid by the associated Banks and Bankers proportionately as the other expenses of the Clearing House are paid, as hereinafter provided.

SEC. 4. The Association at present consists of the following members :

First National Bank,
Robert Gere Bank,
Merchants National Bank,
New York State Banking Co.,
Third National Bank,
Salt Springs National Bank,
State Bank of Syracuse,
Bank of Syracuse,
Commercial Bank,
American Exchange Bank.

SEC. 5. Each member of the Association may be represented at all meetings thereof by at least one of its officers, and shall be entitled to one vote.

SEC. 6. The annual meeting of the Association shall be held on the third Wednesday in January in each year, at four o'clock, P. M., at the Clearing House.

SEC. 7. A special meeting shall be called by the President, or in his absence by the Vice-President, or Clearing House Committee, whenever they may deem it expedient, or whenever they shall be requested so to do by any three of the associated members.

SEC. 8. At all meetings of the Association a quorum for the transaction of business shall consist of a majority of its members.

SEC. 9. At every annual meeting of the Association a President, Vice-President, Secretary and Treasurer and Clearing House Committee, consisting of three representatives of members of the Association, shall be elected by ballot, (a majority of a quorum shall determine the result), who shall hold their respective offices for the ensuing year and until their successors shall be elected.

SEC. 10. It shall be the duty of the President to preside at all meetings of the Association, and in his absence the Vice-President or Chairman of the Clearing House Committee.

It shall be the duty of the Secretary and Treasurer to keep the records and minutes of the Association, and to serve notices of special meetings, to draw on each member for each member's quota of expenses, and to perform such other duties as would naturally devolve on his office, and also to keep the funds of the Association and hold the same, subject to the direction of the Clearing House Committee.

It shall be the duty of the Clearing House Committee to establish rules and regulations to be observed at the Clearing House in cases not provided for in this Constitution, subject to the approval of the Association, and generally to supervise the Clearing House affairs : also to hear and determine all disputes that may be submitted to them by members of the Association.

SEC. 11. The Clearing House Committee shall have power, whenever they shall consider it for the interest of the Association, to examine any bank member of the Association, and to require from such members securities of such an amount and character as said Committee may deem sufficient for the protection of the balances resulting from the exchanges of the Clearing House. Failure to comply with the conditions of this section shall suspend the member from the privileges of the Clearing House. In case suspension of any member is made under this section, the Clearing House Committee shall forthwith call a meeting of the Association and report its action with the reasons therefor: and the Association shall thereupon determine whether such suspension shall continue or be discontinued. Should any representative of the Bank under consideration, be a member of the Clearing House Committee, such representative shall be disqualified from acting, and his place shall be filled as provided in Section 12 of this Constitution.

SEC. 12. If any vacancy occurs in any of the offices of the Association, or in the Clearing House Committee, it shall be filled at the first meeting of the Association held thereafter.

SEC. 13. The Manager, under control of the Clearing House Committee, shall have immediate charge of all business at the Clearing House so far as relates to the manner in which it shall be transacted, and the clerks of the establishment, as well as the settling clerks and messengers of the several associated members, while at the Clearing House, shall be under his direction.

SEC. 14. The hour for making the exchanges at the Clearing House shall be 10:15 o'clock A. M. (Saturday, 9:45 o'clock A. M.), precisely, at which time the messenger from each of the members of this Association shall report to the Clearing House with their respective demands, separately made out against each other member in detail. The same shall be ready for delivery to the messenger by 10:30 A. M. (Saturday by 10 A. M.). Before the hour of 12 o'clock, noon (Saturday 11 A. M.), the debtor members shall pay to the Manager at the Clearing House the balance against them, either in New York Exchange or otherwise, as may be determined from time to time by the Association. At 12:30 o'clock P. M. (Saturday 11:30 A. M.), or as soon thereafter as the amounts can be made up and proved, the creditor members shall receive from the Manager, at the same place, the respective balances due to them, provided all the balances due from the debtor members shall then have been paid.

SEC. 15. All checks or vouchers received by any member in the exchanges of any day, shall remain the property of the members who presented the same respectively at the Clearing House, and shall be held only in trust by the members so receiving the same until returned, or the amount thereof actually paid, either to the Clearing House or to the member

who presented the same aforesaid. Should any member of the Association fail to pay at the proper hour the balance due therefrom to the Clearing House, all checks or vouchers received in the exchanges of that day by the defaulting member shall be returned without mutilation to the Clearing House before 1 o'clock P. M., (Saturday 12 o'clock noon), whereupon the other members shall immediately upon notice, return to the Clearing House all checks or vouchers which said defaulting member may have presented to them in the exchanges of that day, or pay the amount of same to Clearing House, and the Manager shall adjust the settlement of balances accordingly.

SEC. 16. Should a member defaulting in the payment of the balance due to the Clearing House refuse to return the checks and vouchers received by such member, as provided in Section 15 of this Constitution, then in that case the amount due from such defaulting member shall be immediately furnished to the Clearing House by the several members exchanging at that establishment with the defaulting member, in proportion to their respective balances against that member resulting from the exchanges of the day, and the Manager shall make requisitions accordingly, so that the general settlement may be accomplished with as little delay as possible. The respective amounts so furnished the Clearing House on account of the defaulting member shall constitute claims on the part of the several responding members against that member, but the Association shall in nowise be responsible therefor.

SEC. 17. Should the New York Exchange of any member of this Association given in settlement of the balance due to the Clearing House, be dishonored upon presentation to the drawee and payment then refused by the drawer, it shall be the duty of the Manager immediately to ascertain the several amounts of the debit balances against the drawer of the said exchange, and the names of the several members who held the same on the day on which the said exchange was paid to this Association.

He shall then assess the full amount of such defaulted exchange upon the several members aforesaid in proportion to the respective debit balances and each member so assessed shall promptly pay to the Manager upon his requisition, accompanied by a copy of his assessment, the amount so assessed. The said defaulted exchange shall then become the property of the said several members in proportion to the amounts assessed upon and paid by each therefor.

SEC. 18. Errors in the exchanges and claims arising from the return of checks or any other cause, are to be adjusted directly between the members who are parties to them, and not through the Clearing House Association; the Association being in no way responsible in respect to them.

SEC. 19. All checks, drafts, notes, or other items in the exchanges to be returned as "not good" or "mis-sent", or for endorsement or informality, or for any other proper cause, shall be returned the same day by 3 o'clock P. M. directly to the member from whom they were received, and the said member shall immediately refund to the member returning the same, the amount received therefor through the Clearing House and in like funds; but this shall not be construed to include certifications or other direct obligations of the members, which shall be deemed paid when presented through the Clearing House. In case of the refusal or inability of any bank to promptly refund to the bank presenting such checks, drafts or other items, returned as not good, the bank holding them may report to the Manager the amount of the same, and the Manager may, with the approval of the Clearing House Committee, take from the settling sheet of both banks the amount of such checks, drafts or other items so reported, and re-adjust the Clearing House statement and declare the correct balance in conformity with the change so made, provided that such report shall be given to the Manager before 12 o'clock M., (Saturday at 11 A. M.), of the same day.

SEC. 20. New members may be admitted into the Association at any meeting thereof. All applications for membership shall be referred to the Clearing House Committee; that Committee having reported favorably on the same, such new members shall assent to this Constitution in the same manner as the original members; but no new members shall be admitted except by a vote of three-fourths of all the members, such vote to be taken by ballot, provided, however, that it shall be competent by a like vote to impose such terms and conditions as the Association may deem expedient at the time of such admission.

SEC. 21. For cause deemed sufficient by the members of this Association, any member may be expelled from the Association at any meeting thereof, and debarred from the privileges of the Clearing House, provided two-thirds of the whole number of the members vote in favor thereof.

SEC. 22. Any member against whom no charge is pending, and whose due proportion of all expenses is paid, may, upon application to the Clearing House Committee, withdraw from this Association; but such member shall not be relieved from any of the obligations of this Constitution, until the resignation applied for has been accepted by a vote of a majority of the members of the Association.

SEC. 23. The expenses of the Clearing House shall be apportioned and paid by the several members as follows, viz.:

Each member shall pay to the bank acting as the Clearing House, \$5.00 monthly, and all necessary expenses aside from that shall be assessed equally upon the members.

SEC. 24. Eliminated.

SEC. 25. The written or stamped endorsement of any Bank, such as it customarily uses for receipting checks sent to the Clearing House, shall be sufficient guarantee to any other Bank for all previous endorsements, without any special endorsement for guarantee. This rule, however, shall not supply the place of a missing endorsement.

SEC. 26. All checks, notes or acceptances certified as good shall be so certified in writing, only by the President, Vice-President, Cashier, Assistant Cashier, Tellers, Bookkeepers or Acting Bookkeepers, which shall be a sufficient acknowledgment of the liability of the Bank from which it is issued.

SEC. 27. The Association may, at any meeting, by a vote of three-fourths of all the members of all the members of the Association, direct the issue of Clearing House Certificates. Upon the passage of such a resolution the President shall appoint a Committee of three to be known as the Committee on Clearing House Certificates. The President shall be, *ex-officio*, a member of this Committee.

When any member of this Association shall deposit with said Committee, securities to the satisfaction of said Committee, and shall execute such instrument or instruments as said Committee require, then said Committee shall deliver to the said member certificates of this Clearing House in such form and for such an amount as said Committee may determine, and the said member may use the same in payment of its debit balance at the Clearing House; and the Clearing House shall use such certificates in the payment of the balances due any creditor bank. The bank to whom such certificates are issued may change the securities deposited for said certificates with the consent of said Committee, and shall upon demand, deposit additional securities to the satisfaction of said Committee. Upon the demand of said Committee the said Bank shall redeem said certificates in lawful money of the United States or in National Bank notes as said Bank may elect.

SEC. 28. This Constitution, when agreed to by the Association at any meeting thereof by a three-fourths vote, shall be submitted to the respective Boards of Directors of the several banks herein named as members of the Association, for their adoption. When adopted by three-fourths of the whole number of Banks, it shall be deemed and taken to be in full force and

operation. Adoption shall be signified by the signature of the proper officer of the Bank to a copy thereof, to be filed with the Secretary of the Association. A copy of the vote or resolution of the Board authorizing such signature shall be deposited with the Secretary.

Such Banks as shall not adopt this Constitution within three months of the time it is agreed to in the meeting of the Association as above mentioned, shall, at the expiration of such three months, cease to be members of the Association, provided the Constitution shall then be in operation.

SEC. 29. The order of business at the meetings of the Association shall be as follows:

1. Calling the roll.
2. Reading the minutes of the last regular meeting or special meeting.
3. Considering communications to the Association.
4. Reports of officers of the Association.
5. Reports of committees.
6. Election of officers and committees.
7. Unfinished business.
8. Original resolutions and new business; but, upon demand of the Chairman of the Clearing House Committee, any communication or report that Committee may desire to make shall have precedence over all other business.

SEC. 30. Amendments hereto may be made at any meeting of the Association by a vote of three-fourths of the members present, notice of the proposed amendment having been given at a previous meeting at least one week before.

By-laws, Rules and Regulations for the government of the of the Clearing House that may be adopted by the Association, shall have the same binding obligation and effect upon the several organizations as this Constitution, and may from time to time be changed in the same manner as amendments to the Constitution.

MSH 2906

**END OF
TITLE**